

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7279

BILL NUMBER: SB 465

NOTE PREPARED: Jan 23, 2004

BILL AMENDED:

SUBJECT: Indiana Library and Historical Department.

FIRST AUTHOR: Sen. Merritt

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill establishes the Office of the Commissioner, the Administrative Division, the State Library, the Indiana War Memorials Commission, the Division of State Museums and Historic Sites (currently under the Department of Natural Resources (DNR)), and the Division of Historic Preservation and Archeology (currently under the DNR) within the Indiana Library and Historical Department (ILHD). The bill provides that the Governor appoints the ILHD Commissioner. It provides that the Library Board has control of the State Library. This bill also increases the number of members on the State Library Board. It also transfers duties of the Historical Bureau to the State Library, the State Museum, and the Division of State Museums and Historic Sites. The bill transfers the duties of the Commission on Public Records to the State Library. It also makes conforming amendments.

Effective Date: April 1, 2004; July 1, 2004; January 1, 2005; July 1, 2005.

Explanation of State Expenditures: (Revised) Under current law, the Indiana Library and Historical Department consists of the Indiana State Library and the Indiana Historical Bureau. Under the proposal, the ILHD would consist of the Office of the Commissioner, the Administration Division, the Indiana State Library, the Indiana War Memorials Commission, the Division of State Museums and Historic Sites, and the Division of Historic Preservation and Archeology. (Currently, the Division of State Museums and Historic Sites and the Division of Historic Preservation and Archeology are under the Department of Natural Resources (DNR)).

The necessary restructuring may require additional expenditures. The total cost of public notification, adjustments to publications, signage, office stationery, and various other expenditures is not known. To the extent that existing staff and facilities are used, the fiscal impact could be reduced. For example, if no

additional office space is needed, office space for the proposed new Office of the Commissioner and Administrative Office would not result in an increase in the fiscal impact. Aside from the potential for office space costs, the bill does create the Office of the Commissioner and the Administrative Office. Compensation for the Commissioner would be an estimated \$123,000, including benefits. If the Commissioner elected to hire staff, additional expenses would be incurred. If the Commissioner used existing staff, there would be no additional impact. It may be possible that expenses could be paid from existing resources. The overall impact is indeterminable at this time and will depend on administrative actions.

Office of the Commissioner and the Administrative Division: This bill establishes the Office of the Commissioner and the Administrative Division of the Indiana Library and Historical Department (ILHD) effective July 1, 2005. Appointed by the Governor, the Commissioner is the Executive and Chief Administrative Officer of the ILHD. The Commissioner is entitled to compensation in an amount to be fixed by the Indiana Department of Administration with the approval of the Governor. The compensation for the Commissioner including fringe benefits and indirect costs could be approximately \$123,000 in FY 2006.

Costs associated with the Administrative Division could include legal services, human resources and volunteer services, finance, management information services, building facility maintenance, security, marketing, and communications. The extent to which existing employees and resources can be used to cover the costs of these functions is indeterminable at this time. It is possible that there could be a savings from the elimination of duplicate functions. However, the nature and extent of the savings is indeterminable at this time and would depend on administrative action.

Indiana War Memorials Commission: Under the proposal, the Indiana War Memorials Commission would be under the ILHD.

As of January 2004, the Commission had 3 full-time staff. Total salaries equaled \$67,000.

Indiana Historical Bureau: On April 1, 2004, all powers, duties, assets, appropriations, fund balances, and liabilities of the Indiana Historical Bureau relative to the Governor's Portraits Collection, custody of unsold commemorative medallions and other items, and celebrations pertaining to the memory of George Rogers Clark are transferred to the Indiana State Museum. All other powers, duties, assets, appropriations, fund balances, and liabilities of the Indiana Historical Bureau are transferred to the Indiana State Library. Funds that are in the Historical Bureau Publications and Educational Fund as of April 1, 2004, must be transferred to the State Library Publications and Educational Fund.

As of January 2004, the Bureau had 9 full-time staff with one on leave. Total salaries equaled \$294,000. For FY 2004 and FY 2005, the Bureau received a budget of \$421,915, with a General Fund appropriation of \$399,020 and a dedicated fund appropriation of \$22,895. Because responsibilities of the Bureau are transferred, as opposed to eliminated, it is assumed that costs will remain constant.

Division of State Museums and Historic Sites of the Indiana Library and Historical Department: After June 30, 2005, the Division of State Museums and Historic Sites of the Department of Natural Resources becomes the Division of State Museums and Historic Sites of the ILHD. On July 1, 2005, all powers, duties, assets, appropriations, fund balances, and liabilities of the DNR that are attributable to the Division of State Museums and Historic Sites are transferred to the Division of State Museums and Historic Sites of the Indiana Library and Historical Department.

As of January 2004, the DNR Division of State Museums and Historic Sites maintained a staff of 121 full-time employees with annual salaries of \$4.3 M.

Division of Historic Preservation and Archeology: After June 30, 2005, the Division of Historic Preservation and Archeology of the DNR will become the Division of Historic Preservation and Archeology under the ILHD. On July 1, 2005, all powers, duties, assets, appropriations, fund balances, and liabilities of the DNR that are attributable to the Division of Historic Preservation and Archeology are transferred to the Division of Historic Preservation and Archeology of the ILHD.

As of January 2004, the DNR Division of Historic Preservation maintained a staff of 17 full-time employees with annual salaries of \$661,830.

Commission on Public Records: On July 1, 2005, all powers, duties, assets, appropriations, fund balances, and liabilities of the Commission on Public Records are transferred to the Indiana State Library of the Indiana Library and Historical Department. The Indiana State Library of the Indiana Library and Historical Department is a continuation of the Commission on Public Records.

As of January 2004, the Commission maintained a staff of 31 full-time employees with annual salaries of \$906,000.

Indiana State Library Board. Under current law, the management of the Indiana State Library and Historical Department is vested in the Indiana Library and Historical Board, which consists of five members. Under the proposal the board is changed to the Indiana State Library Board and it has eight members. The Commissioner, who is one of the members, serves as an ex officio member. Except for the Commissioner, the Board members serve without compensation, but are entitled to receive actual expenses incurred in attending the meetings and transacting the business of the board. This provision will increase costs to the ILHD by an indeterminable amount. The amount will be based on expenses incurred by the new members. Additional expenses could be offset by savings realized from the elimination of the Oversight Committee on Public Records.

Department of Administration: Currently, the Commission on Public Records must establish and operate a distribution center for the receipt, storage, and distribution of all material printed for an agency. Under the proposal, the State Library would assist the Department of Administration (DOA) in establishing and operating a distribution center. This provision may increase administrative expenses for the DOA. Additional information will be forwarded when it becomes available.

Legislative Services Agency (LSA): LSA must prepare legislation for introduction in the 2005 regular session of the General Assembly to organize and correct statutes affected by the transfer of responsibilities to the Indiana Library and Historical Department by this proposal. LSA should be able to absorb any additional administrative expenses associated with this proposal given its current budget and staff.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Natural Resources, Department of Administration, the State Library, the Indiana War Memorials Commission, the State Library Board, the Historical Bureau, the State Museum, and the Commission on Public Records.

Local Agencies Affected:

Information Sources: Erin Kremer, State Personnel Department.

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